

# Comparison of Renewable Fuels Provisions in Senate and House Versions of the Energy Bill

U.S. Senate	U.S. House of Representatives
<p><b>Renewable Fuels Standard</b></p> <p>The Senate energy bill requires that 5 billion gallons of transportation fuel be comprised of renewable fuel by the year 2012 -- nearly three times current ethanol production. This new renewable fuel standard (RFS) can help boost the economies of rural communities. There is a potential that in coming years, 2,000 South Dakota farmers will own ethanol plants that produce 200 million gallons of fuel per year.</p> <p>A 40 million gallon per year ethanol plant can provide:</p> <ul style="list-style-type: none"> <li>• 41 new jobs at each plant</li> <li>• \$20 million each year in increased household income for the community</li> <li>• 13.3% average annual return on investment over 10 years for farmers who invest \$20,000 in an ethanol plant</li> </ul> <p><b>Small Ethanol Producer Tax Credit</b></p> <p>The Senate energy bill contains a small ethanol producer tax credit. Currently, ethanol producers are provided with a 10¢ per gallon credit on the first 15 million gallons of ethanol they produce, but that credit cannot legally be passed through to individual farmer members of co-ops that produce ethanol. The tax credit provisions in the Senate energy bill would allow the tax credit to “pass through” to individual farmers who have invested in their co-op. It will also allow ethanol plants with a production capacity of 60 million gallons or less to realize its benefits, which includes most of the start-up ethanol plants in South Dakota.</p> <p><b>Biodiesel Tax Credit</b></p> <p>The Senate energy bill contains a new biodiesel tax credit that is similar to the ethanol tax credit: it would lower the price of biodiesel at the pump to encourage use of biodiesel. The price per gallon would be lowered 1¢ for each 1% of biodiesel contained in the fuel. Combined with the renewable fuels standard, it would greatly increase the market, as well as the value, of surplus soybean oil.</p>	<p>- nothing -</p> <p>- nothing -</p> <p>- nothing -</p>



*For More Information, Contact U.S. Senator Tim Johnson:*

ABERDEEN  
320 S 1st St  
Aberdeen, SD 57401  
(605) 226-3440

RAPID CITY  
405 E Omaha St, Ste B  
Rapid City, SD 57709  
(605) 341-3990

SIOUX FALLS  
715 S Minnesota Ave  
Sioux Falls, SD 57101  
(605) 332-8896

324 Hart Senate Office Building  
Washington, DC 20510

1-800-537-0025  
toll-free from anywhere in South Dakota

e-mail: [tim@johnson.senate.gov](mailto:tim@johnson.senate.gov)  
<http://johnson.senate.gov>